Business Area Customers & Solutions

Martijn Hagens
Head of Business Area Customers & Solutions

### Facts and figures – BA Customers & Solutions

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales of electricity (TWh)</th>
<th>Sales of gas (TWh)</th>
<th>Number of electricity customers</th>
<th>Number of gas customers</th>
<th>Number of employees (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>76.3</td>
<td></td>
<td>199.0</td>
<td>~6.2 million</td>
<td>~3,300</td>
</tr>
<tr>
<td>Finland</td>
<td>8.9</td>
<td></td>
<td></td>
<td>~1.9 million</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>20.1</td>
<td>40.6</td>
<td></td>
<td>~3,300</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>85.6</td>
<td>5.0</td>
<td></td>
<td>~3,300</td>
<td></td>
</tr>
</tbody>
</table>

Main products: 
Electricity, gas and energy services
Vattenfall’s market positions

**Sweden**
- Fragmented market with ~170 suppliers.
- Vattenfall #1

**Finland**
- Highly fragmented market with ~70 suppliers.
- New entrant in local areas.
- Vattenfall #3, a Challenger position.

**Netherlands**
- Relatively concentrated market with ~47 suppliers, of which three incumbents.
- Vattenfall #1

**Germany**
- Fragmented market with ~400 suppliers, of which four integrated incumbents.
- Vattenfall #1 in Berlin and Hamburg.
- Vattenfall #4 nationwide. Challenger position in Germany outside of Berlin and Hamburg.
We develop solutions to meet the trends and demands of our customers

**TRENDS IN SOCIETY**

- Electrification of transportation
- Digitalization of our homes and business environments and big data possibilities
- Growth of prosumers / decentralization of energy production

**EXISTING OFFERS**

**FUTURE POSITION**

Customer & Solutions is a supplier of a full range of energy management products and services to B2B and B2C customers.

We aim at becoming a full solution provider – a smart integrator.

We will accelerate digital transformation and pursue partnerships that compliment our competence.
## Development of solutions will differ between markets

### Customer interest in new opportunities may differ across our markets & segments

| Electrification of transportation | • Uptake rate of e-mobility is different across countries, because of differences in subsidy & incentive schemes. The Dutch market is more developed than the German market |
| Digitalization of our homes and business environments and big data possibilities | • Energy management is still of low interest in consumer segment, but high on the agenda of business segments such as facility management |
| | • Consumer demographics determine interest in smart home services, with high-density low-income urban areas in Berlin showing less interest than affluent suburban/rural areas in Sweden |
| | • Different stages of smart meter roll-out across countries affect the possibility for developing relevant energy management services. Sweden has full roll-out, whereas roll-out in the Netherlands has only just started and roll-out in Germany is still uncertain |
| Growth of prosumers/decentralization of energy production | • Differences in the uptake of solar PV have been driven by subsidies, with uptake currently slowing in Germany and accelerating in the Netherlands |
| | • Concentration of our customer base in urban areas reduces the attraction of decentralized opportunities |
Customers are increasingly digitally connected

A Smart home is built up by different parts that are fully connectable with our future platform. A customer will be able to build her own smart home solution with full flexibility in a way that suits her needs in the best way.

- **Smartplug**: to steer and manage devices in an efficient and safe way.
- **Solar Collector or PV**: for own use with possibility of feedback to net.
- **The right heating system for your comfort – Heat pump?**
- **A lot of products and devices for your home in our web shop**
- **Wallbox for charging my electrical car**
- **E-Manager / Energywatch for energy efficiency**
Strategic direction is to become a solution provider

Customers & Solutions is a supplier of a full range of energy management products and services to B2B and B2C customers.

Main actions to reach position:
- Accelerate digital transformation
- Pursue partnerships that compliment our competence

Desired future position:

1. Basic Energy provider
2. Energy Provider plus
3. Service Provider
4. Energy Solution Provider

The direction is to become an energy solution provider and allowing each market to have a different timings and approaches – from defend position to grow market share.
**Focus areas**

... a supplier of a full range of energy management products and services to B2B and B2C customers

<table>
<thead>
<tr>
<th>Challenges/Opportunities</th>
<th>Focus areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Securing and increasing profitability of current sales business</td>
<td>• Grow customer base in selected markets</td>
</tr>
<tr>
<td></td>
<td>• Reduce cost to serve</td>
</tr>
<tr>
<td>• Becoming a solution provider</td>
<td>• Accelerate digital transformation</td>
</tr>
<tr>
<td></td>
<td>• E-mobility/Charging solutions</td>
</tr>
<tr>
<td></td>
<td>• Smart homes/facility management</td>
</tr>
</tbody>
</table>